

UNITED STATES BANKRUPTCY COURT
SOUTHERN DISTRICT OF NEW YORK

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In re:

Chapter 11

Hello Nostrand LLC,

Case No. 24-22192 (SHL)

Debtor.
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**ORDER GRANTING DEBTOR’S MOTION TO APPROVE SALE OF
THE DEBTOR’S PROPERTY TO THE HIGHEST AND BEST BIDDER
AT A PUBLIC AUCTION SALE TO BE CONDUCTED PURSUANT
TO APPROVED BIDDING PROCEDURES**

Upon the motion [ECF No. 20] (the “Motion”) of Hello Nostrand LLC (the “Debtor”) for entry of an order (i) authorizing the public auction sale (the “Sale”) of the Debtor’s real property commonly known as 1580 Nostrand Avenue, Brooklyn, NY (Block 5131, Lot 1) improved by a residential apartment building together with the adjoining vacant lot (collectively the “Property”), free and clear of all claims, liens and interests with the same to attach to the proceeds of sale in their pre-petition order, extent and priority, with the Sale to be conducted in accordance with approved bid procedures subject to the credit bid rights of 1580 Nostrand Ave 2 LLC (the “Senior Lender”) together with related relief; and good and sufficient notice of the Motion having been given to creditors and other parties in interest; and a hearing having been held before the undersigned on June 7, 2024; and no objections having been filed or asserted to the Motion; and the Court having found that the sale of Property pursuant to the bidding procedures is a proper exercise of the Debtor’s business judgment; it is hereby

ORDERED, that the Motion is granted as set forth herein; and it is further

ORDERED, that the Debtor is authorized to sell the Property pursuant to 11 U.S.C. §§363(b) and (f) at a public auction sale to be conducted on September 5, 2024, free and clear of all claims, liens and interests with the same to attach to the proceeds of sale in their pre-petition

order extent and priority, subject to credit bid rights of the Senior Lender to bid the full amount of its allowed secured claim, except the sale shall be subject to the mortgages of the Secured Lender which shall survive at the election of the Senior Lender for purposes of an assignment of its mortgages as applicable to preserve applicable mortgage tax savings to the extent that same are not otherwise exempt under 11 U.S.C. §1146(a); and it is further

ORDERED, that the Bidding Procedures annexed hereto as Exhibit “A” are approved; and it is further

ORDERED, that in furtherance of the Bidding Procedure, the auction of the Property shall be conducted at the offices of Goldberg Weprin Finkel Goldstein LLP on September 5, 2024 beginning at 12:00 noon; and it is further

ORDERED, that notice of the auction results shall be filed by the Debtor’s counsel on or before September 9, 2024; and it is further

ORDERED, that a hearing to approve the sale of the Property to the highest and best bidder shall be conducted on **September 17, 2024 at 10:00 a.m.**, to be held in conjunction with a hearing to consider confirmation of the Debtor’s amended plan of reorganization; and it is further

ORDERED, that objections to the sale of the Property shall be filed on or before September 10, 2024.

Dated: July 9, 2024
White Plains, New York

/s/ Sean H. Lane
United States Bankruptcy Judge

The Bid Procedures

Bid Deadline – August 30, 2024

Auction Date – September 5, 2024

Closing – Within thirty (30) days after entry of an Order by the Bankruptcy Court confirming a Plan of Reorganization.

Assets. The property located at 21 East 29th Street together with an adjoining vacant lot at 1580 Nostrand Avenue, Brooklyn, NY (collectively the “Property”), shall be sold as is, where is, without any representation or warranty of any type whatsoever and free and clear of all claims, liens and interests, except the sale shall be subject to the mortgages of the Secured Lender which shall survive at the election of the Senior Lender for purposes of an assignment of its mortgages as applicable to preserve applicable mortgage tax savings to the extent that same are not otherwise exempt under 11 U.S.C. §1146(a).

Potential Bids. A Bid must be in writing and sent to Debtor’s counsel, Goldberg Weprin Finkel Goldstein LLP, 125 Park Avenue, 12th Fl. New York, New York 10017, Attn: Kevin Nash (knash@gwfglaw.com), with a copy to counsel for 1580 Nostrand Ave 2 LLC (the “Senior Lender”), Kriss & Feuerstein LLP, 360 Lexington Avenue, Suite 1200, New York, NY 10017, Attn: Jerold C. Feuerstein, Esq. (jfeuerstein@kandllp.com), Daniel N Zinman, Esq, (dzinman@kandfllp.com), and Stuart L. Kossar, Esq. (skossar@kandfllp.com), and the designated Broker by the Bid Deadline of August 30, 2024.

Qualification of Bidders. To be eligible to participate in the Auction, each Potential Bidder must provide the following (collectively, the “Participation Requirements”):

- a. An initial bid in the sum of at least \$ TBD by Secured Lender Broker and Debtor;
- b. Disclose the identity of the person or entity that is bidding for the Property (the “Bidder”) with appropriate contact information and counsel;
- c. Financial information which fairly and reasonably demonstrates the source of the Bidder’s ability to close on the purchase of the Property in the amount of its bid;
- d. Contain a signed acknowledgment that the Bidder will be bound by its bid and the representation and statements made in the Qualifying Statement until such bid is rejected by the Debtor;

- e. Disclose if the Potential Bidder is a partner, officer, director, stockholder, agent, employee, insider or affiliate of the Debtor, the Debtor's principals, the Broker or any relative of any of the foregoing, such a Potential Bidder must so disclose the exact nature of its relationship with the foregoing entities;
- f. A good faith deposit in the amount equal to five (5%) percent of the bid in immediately available funds (as may be increased pursuant to paragraph (f), the "Deposit"); and
- g. A signed acknowledgment that if the Bidder is determined by the Debtor to be the Successful Bidder, it will execute a written contract of sale (the "PSA") for the acquisition of the Property on terms and conditions reasonably acceptable to the Senior Lender and the Debtor including by marking up the PSA, which will be provided to the Bidder at least 14 days prior to the Bid Deadline, to indicate what the Bidder would be willing to execute.

Qualified Bidders and Bids. Potential Bidders who have satisfied the Participation Requirements will be deemed "Qualified Bidders." Notwithstanding anything herein to the contrary, the Senior Lender (or its nominee, designee or assignee) is a Qualified Bidder and not subject to any Participation Requirements and/or providing a Deposit. Further, although under no obligation to do so, Senior Lender (or its nominee, designee or assignee) is entitled to credit bid up to and including the total amount of its claim as of the Auction Date for the Property pursuant to 11 U.S.C. § 363(k),

Auction Participation. Unless otherwise agreed to by the Debtor, only Qualified Bidders, and their legal or financial professionals are eligible to attend or participate at the Auction.

Auction. The Auction will be conducted by counsel for the Debtor and shall be governed by the following procedures:

- a. Each Qualified Bidder shall be required to confirm under oath that it has not engaged in any collusion with respect to the bidding.
- b. The initial bid at the commencement of the Auction shall be the highest and best offer received before the Bid Deadline, as determined by the Debtor and its counsel. The bidding shall be in increments of \$100,000. The Debtor, in the exercise of its reasonable business judgement, may adjust the amount of the successive bid increments at the Auction.

- c. The Qualified Bidders each expressly acknowledge and agree that in the event that another person or entity is selected as the Successful Bidder but fails to timely tender the Deposit or Additional Deposit or otherwise perform its obligations under these Terms of Sale, the Debtor may contact the second highest or best bidder (the “Second Bidder”) to sell the Assets to the Second Bidder without any further notice or further approval of the Bankruptcy Court, without giving credit to the Second Bidder for the initial Successful Bidder’s Deposit or Additional Deposit, which deposit(s) shall be forfeited by the initial Successful Bidder, and upon such other terms and conditions as the Debtor deems appropriate in its reasonable business judgment. Thereafter, the Second Bidder shall be deemed for all benefits and obligations to be the Successful Bidder and shall comply with the terms, conditions, and obligations set forth herein and the related documents and order of the Bankruptcy Court.
- d. The Deposit shall be nonrefundable except that any Deposit submitted by the Qualified Bidders who do not become either the Successful Bidder or the Second Bidder shall be returned as soon as reasonably practicable following the Auction.
- e. The Senior Lender retains all rights to credit bid the full amount of its claim, subject to the overbid requirements set forth herein without the obligation to establish a Deposit.

Only authorized representatives and respective counsel of each of the Qualified Bidders, the Senior Lender, the Debtor, and the Broker shall be permitted to attend and participate at the Auction unless agreed to by the Senior Lender and the Debtor.

Modifications.

These Bid Procedures may be modified at any time by the Debtor with the consent of the Senior Lender. Reasonable written notice of any modification shall be given by the Debtor to all creditors of the Debtor and parties identified by the Broker as potential bidders at or prior to the Auction.